NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

IIIIO LEP	NSE AGREEMENT I	s made this	) day of	Janvory	, 2009,	by and between
$-\underline{u}$	<u> 281 - Jon</u>	1,00 0	5,719/E 1.	V 6721626		·
HELEHIADOVE HE	mou as cessee, put	ALENCE S. L.L.C., 2100 Ross all other provisions (i	Avenue, Suite 1870	Dallas Texas 75201, a	prepared jointly by Lessor and L	as Lessor, this lease were prepared by the party essee.
described land,	hereinafter called le	ased premises:		•		ts exclusively to Lessee the following
OUT, OF TH	ACRES OF LAI	ND, MORE OR L	ESS, BEING LO	τ(s) <u>3 + 4</u>	ADDITION, AN	, BLOCK/ ADDITION TO THE CITY OF CERTAIN PLAT RECORDED NT COUNTY, TEXAS.
substances pro commercial gar land now or he Lessor agrees	oduced in associations  ses, as well as hydra  reafter owned by Le  to execute at Lessee	on therewith (including ocarbon gases. In a essor which are contiqued of the contiquest and addition	ng geophysical/seismi ddition to the above-d puous or adjacent to ti anal or supplemental in	ic operations). The ter escribed leased premise he above-described leas astruments for a more co	m "gas" as used herein includ es, this lease also covers accreti ed premises, and, in considerati	which Lessor may hereafter acquire by all hydrocarbon and non hydrocarbon es helium, carbon dioxide and other ons and any small strips or parcels of on of the aforementioned cash bonus, the land so covered. For the purpose her actually more or less.
as long thereaf otherwise main	ter as oil or gas or o tained in effect pursi	ther substances cove uant to the provisions	red hereby are produc hereof.	ed in paying quantities for	rom the leased premises or from	)years from the date hereof, and for lands pooled therewith or this lease is
separated at L Lessor at the w the wellhead in prevailing price severance, or o have the contin then prevailing nearest preced the leased prer hydraulic fractu be producing in being sold by L depository desi are shut-in or   Lessee from ar of such operatin 4. All shu be Lessor's de draft and such address known payment hereu 5. Excep premises or la pursuant to the nevertheless re on the leased i the end of the operations rea: no cessation o there is produc Lessee shall di	essea's separator favellhead or to Lesson arket price then properties of the propert	acilities, the royalty sinds credit at the oil put by a credit at the costs incurred are such production at the nearest field on which Lessee condit therewith are capable to the purpose of main shall pay shut-in royabefore the end of same is not being sold to the leased premise essee's failure to proper suit Lessee's failure to proper by a condition and the commence operated therewith within any time thereafter, obtain or restore prosecutive days, and if the same the formations the contract of the cost of the leased premise are to formations the cost of the cost o	nall be	in facilities, provided that such price then prevailing casing head of by Lessee from the sale of the processing or otherwidd market price paid for processing or otherwidd market price paid for processing or otherwidd market price paid for processing or other substitution there from is not befor a period of 90 consect of a period of 90 consect of the covered by this hereafter on or before expected by the processing the processing the processing the processing the covered by the coverent of the covered by the processing the covered by the co	Lessee shall have the continuing in the same field, then in the gas) and all other substances thereof, less a proportionate passe marketing such gas or other stroduction of similar quality in the insuant to comparable purchase the end of the primary term or at ances covered hereby in paying ing sold by Lessee, such well or wells are lease, such payment to be mad ach anniversary of the end of the bile for the amount due, but shall be due until the end of the bile for the amount due, but shall se credit in at lessor's addressed. All payments or tenders may I mped envelope addressed to the ceeded by another institution, or the name of the ceeded by another institution, and the ceeded by another institution as decirally ceases from any cause, is event this lease is not otherwing an additional well or for other in force but Lessee is then engance so long as any one or more of oil or gas or other substances in the leased premises or lands on the leased premises or lands.	For oil and other liquid hydrocarbons to be delivered at Lessee's option to gright to purchase such production at nearest field in which there is such a covered hereby, the royalty shall be int of ad valorem taxes and production, substances, provided that Lessee shall same field (or if there is no such price contracts entered into on the same or by time thereafter one or more wells on quantities or such wells are waiting on wells shall nevertheless be deemed to shut-in or production there from is not shut-in or production there from is not be to Lessor or to Lessor's credit in the d 90-day period while the well or wells ions, or if production is being sold by 90-day period next following cessation not operate to terminate this lease.  above or its successors, which shall be made in currency, or by check or by depository or to the Lessor at the last of any reason fail or refuse to accept appository agent to receive payments. Sinafter called "dry hole") on the leased including a revision of unit boundaries inse being maintained in force it shall wise obtaining or restoring production if such cessation of all production. If at ged in drilling, reworking or any other of such operations are prosecuted with covered hereby, as long thereafter as iducing in paying quantities hereunder, inder the same or similar circumstances pooled therewith, or (b) to protect the overnant to drill exploratory wells or any
additional wells 6. Lesse depths or zone proper to do si unit formed by horizontal com completion to do of the foregoin prescribed, "oil feat or more   equipment; an equipment; an equipment; an equipment the Production, dr reworking ope net acreage of Lessee. Pooli unit formed he prescribed or   making such a leased premiss be adjusted ac a written decla	sexcept as expressive shall have the right of the right o	y provided herein.  ht but not the obligati  all substances cove  y develop or operate  oil well which is not a  aed 640 acres plus a  pacing or density pa  l' and "gas well" sha  with an initial gas-oil  at completion' means  at completion' means  at completion' means  at completion means  be perations anywhere  d premises, except the  and included in the  stances shall not exhour or  contraction or  contracti	on to pool all or any pred by this lease, eith the leased premises, a horizontal completion maximum acreage tol term that may be presented in the meanings ratio of less than 100, test conducted unders an oil well in which eunder, Lessee shall on a unit which include the production on which either bears to the total least Lessee's pooling both, either before or naving jurisdiction, or itten declaration describes of such reven paying quantities frought to the production. Products of the production.	part of the leased premis per before or after the convention of the conform to any producing the revised unit an ision, the proportion of use a unit, or upon permanoling hereunder shall not conform to upon permanoling hereunder shall not conform the conformation of use a unit, or upon permanoling hereunder shall not conform the conformation of use a unit, or upon permanoling hereunder shall not conformation of use conformation of use a unit, or upon permanoling hereunder shall not conformation of use conformation	ses or interest therein with any commencement of production, whooling authority exists with respertes plus a maximum acreage tole that a larger unit may be formed away governmental authority having law or the appropriate government "gas well" means a well with ditions using standard leases well of the gross completion intervice claration describing the unit are eleased premises shall be treat calculated shall be that proportion, in order to conform citive acreage determination mad stating the effective date of reinit production on which royalties next constitute a cross-conveyance	ther lands or interests, as to any or all tenever Lessee deems it necessary or at to such other lands or interests. The erance of 10%, and for a gas well or a for an oil well or gas well or horizontal glurisdiction to do so. For the purpose ental authority, or, if no definition is so an initial gas-oil ratio of 100,000 cubic aparator facilities or equivalent testing terval in facilities or equivalent testing at in the reservoir exceeds the vertical distating the effective date of pooling, and as if it were production, drilling or on of the total unit production which the proportion of unit production is sold-by ight but not the obligation to revise any to the well spacing or density pattern de by such governmental authority. In vision. To the extent any portlon of the are payable hereunder shall thereafter any terminate the unit by filing of record

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from ease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer, Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 d

there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other

This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. 17. This lease may be executed in counterparts, each of which is deemed an original and all or which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)	•		
Maller Non			
By: West-Yen Aco	Ву:		
STATE OF Texas			
COUNTY OF Tayrand  This instrument was acknowledged before me on the 30 day of by: Well Year how to stringle to chicago	of <u>Sanvary</u> , 2009,		
	Farial Co		
No or Public STATE OF TEXAS My Comm. Exp. Apr. 17, 2012	Notary Public, State of TEX 4.5 Notary's name (printed): Taskin, Scott Notary's commission expires:		
STATE OF COUNTY OF This instrument was acknowledged before me on the day of the	of, 2009,		
	Notary Public, State of Notary's name (printed):		

Notary's commission expires:



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

**DALLAS** 

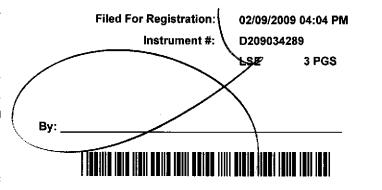
TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



D209034289

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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